

# THE COMMONWEALTH GROWS

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## Agricultural Development Board Investment Philosophy

**The Kentucky Agricultural Development Board will invest monies from the Kentucky Agricultural Development Fund in innovative proposals that increase net farm income and affect tobacco farmers, tobacco-impacted communities, and agriculture across the state through stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms and farm products.**

## SYMPOSIUM ON ALTERNATIVES TO AGRICULTURAL INDUSTRIALIZATION

BY BUSINESS SYSTEMS CONSULTANT RHODES JOHNSTON

Kentucky is not going to go from being the burley belt to the corn belt. Neither are our livestock producers likely to challenge the production levels of high plains feedlots or Carolina hog farms. A key question as Kentucky's farm economy tries to lessen its tobacco dependence is the proper size for agricultural ventures. Do we want to preserve the present scale of agriculture in the state? If so, how do we avoid the industrialization of our agricultural enterprises and still provide a decent living for our farmers?

In an attempt to answer some of these questions, The Governor's Office of Agricultural Policy and Kentucky State University are sponsoring a symposium on right-sizing Kentucky's livestock industry on November 15 at the Kentucky State University Farm in Frankfort. The symposium will feature three speakers: a farmer, a meat processor, and an agricultural researcher who will illuminate this crucial issue.

The symposium will feature Joel Salatin, a Shenandoah Valley grass farmer who sells pasture raised beef, chickens, rabbits, and other livestock directly to consumers. His expertise in this endeavor is evident from his customers, some of whom are willing to drive as many as 200 miles to buy his products. He is also the author of three books on farmer marketing. Mr. Salatin will talk about the barriers to selling farm raised livestock.



Joel Salatin: author, farmer, and direct livestock marketer

Jerry Boone, owner of Boone's Abbatoir Inc. in Bardstown and a leader among small processors in the state, will discuss livestock issues from the perspective of a small slaughterhouse operator.

The third speaker will be Dr. Keiko Tanaka who recently spent three years researching the meat packing industry in New Zealand. Dr. Tanaka will share her observations on surviving without subsidies in the highly competitive global market.

The program will begin at 10:00 a.m. A Kentucky raised meal will be served. For more information, please contact Rhodes Johnston at the Governor's Office of Agricultural Policy at (502)564-4627.

## CALENDAR OF AGRICULTURAL MEETINGS AND EVENTS

### SYMPOSIUM ON ALTERNATIVES TO AGRICULTURAL INDUSTRIALIZATION

Thursday November 15, 2001 at 10:00 a.m.

Kentucky State University Farm off Hwy 127 near Frankfort

## PROJECT SPOTLIGHT: KENTUCKY VIRTUAL

Being able to purchase Kentucky products twenty-four hours a day and seven days a week without leaving the comfort of your home may seem like a futuristic vision. Yet, with the creation of [www.KentuckyVirtual.com](http://www.KentuckyVirtual.com), people all around the world are learning about this possibility.



The idea began at The Kentucky Wood Products Competitiveness Corporation, a non-profit organization created in 1994 for the promotion of the 600 secondary wood manufacturers in the state. In the years that followed, Kentucky Wood Products recognized both the potential of the internet to reach consumers and the lack of a method for those within the state who produced quality products to sell them on the internet. Sam Young, E-Commerce Director, says "The only way to open up Kentucky products to the world is to open up a method that was accessible to the world." Their solution to that problem

was to create a site on the internet that would offer a variety of Kentucky products for purchase.

Kentucky Virtual offers value-added agricultural items such as Broadbent Country Hams, Katelyn's Honey, Southern Delight Premier Barbecue Sauce, and Kenny's Cajun Corn. It also offers furniture, art, home accessories, and games. All of the products have to be made or manufactured in Kentucky and meet quality standards. The site will not only appeal to those who would like to avoid the stores around Christmas time but also to those people who appreciate fine quality, unique, or hand crafted items.

The Agricultural Development Board approved \$500,000 for Kentucky Virtual at its August meeting. The funds allow Kentucky Virtual and its products to be marketed to consumers as well as to raise awareness among vendors who would like to be involved in such a project. Sam Young says, "I think it's a rare opportunity for vendors." Kentucky Virtual works with a provider to assist producers with shipping and maintain a quality system. Vendors who had attempted to market products outside of the state and had encountered difficulties quickly recognized the opportunity and are utilizing the site.

The goal for Kentucky Virtual is to grow in the number of loyal customers and products available on the site. For information on how to participate in this program, please contact Kentucky Wood Products at (888)822-9663 or send an e-mail to [info@kentuckyvirtual.com](mailto:info@kentuckyvirtual.com).

"The only way to open up Kentucky products to the world is to open up a method that was accessible to the world."

## BOARD APPROVES PROGRAM TO ASSIST FARMERS WITH DIVERSIFICATION

The Agricultural Development Board approved \$6,505,394 for projects across the Commonwealth. County programs for the improvement of cattle genetics, cattle handling, and forage were approved for \$2,691,082. And a new county diversification program was also approved.

The County Cost-Share Diversification Program was created by the board in response to applications attempting to promote farm diversification. This program establishes coordination at the county level. Farmers can receive financial assistance in ten areas of investment including commercial vegetable and herb production, fruit

and sweet sorghum production, ornamental horticulture, green house construction or conversion for horticulture, small animal production, aquaculture, livestock, dairy, equine, and silvaculture. A maximum of \$5,000 in grant money is available per applicant and \$20,000 from a revolving loan program. Grant funds cannot exceed 50 percent of the total project funds. And grant funds may not be used to match loan funds. Finally, participating producers must provide a statement of relevant prior experience, a marketing plan, and an enterprise budget for each commodity.

More information is available on the website at [www.kyagpolicy.com](http://www.kyagpolicy.com).

## AGRICULTURAL DEVELOPMENT QUESTION AND ANSWER



**Question: Does The Kentucky Agricultural Development Board approve funding for projects submitted by individuals?**

**Answer: Yes.**

The Agricultural Development Board is charged with the responsibility to administer half of the tobacco settlement fund in ways that extend financial benefits to the largest number of farmers, especially those impacted by tobacco. That is why the board would like to see every attempt made to include the largest number of farmers in the projects that are funded.

However, there is no set minimum number

of farmers who must be included for a project to be approved for funding. In fact, the board has funded several projects that could be viewed as "individual" projects although they will impact a larger number of farmers. Kevan Evans of Evans Orchard was approved for funding to convert a tobacco barn into an apple cider facility, adding value to his apples and those of other apple producers in the area. Ben Payne of BEPA Inc. was also approved for funding to expand his vegetable enterprise, which provides a market to growers and allows them to claim any dividends from the project. In addition, the model county programs, created by the board, are channeling over \$10 million directly to individual farmers all across the state.

## PROJECTS APPROVED FOR FUNDING AT THE SEPTEMBER BOARD MEETING

Kentucky Horticulture Council- \$2,493,270

The Southern Dairy Compact- \$100,000

Kentucky's Finest Sausage- \$61,250 (State and Simpson County)

Wilderness Trail Area Beef Marketing Alliance- \$248,500 total dollars (State, Jackson, Knox, Laurel, and Whitley Counties)

Rick Lowe and Jim Meadows- \$238,585 (Fleming and Lewis Counties)

Spencer County Conservation District- \$157,500

Garrard County Marketing and Educational Center- \$150,000

Madison County Fiscal Court- \$50,000

Madison County 4-H Council- \$14,044

Henry County Chamber of Commerce and Fiscal Court- \$38,300

Marion County Meat Goat Producers- \$35,000

Henderson Community College- \$26,000

Metcalf County High School- \$25,080

Wilderness Trail Area Beef Marketing Alliance- \$25,000 (Clay)

Boyle County Fiscal Court and Fair Board- \$32,541

Kentucky Sorghum Producers- \$15,160 (Hancock)

Edmonson County High School- \$12,992

Madisonville Technical College and Henderson Community College- \$11,000 (Hopkins)

Roberts Farms Sorghum- \$10,000 (Henry)

Southern Kentucky Aquaculture Cooperative- \$7,602 (Grayson)

Simpson County Conservation District- \$7,200

Taylor County Farmers Market Association- \$8,650

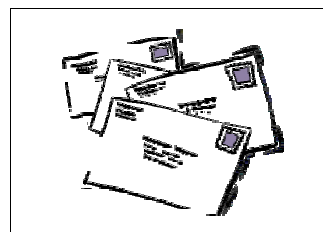
Green River Beekeepers- \$1,189 (Taylor)

Powell County Middle School- \$1,065

## THE GOVERNOR'S OFFICE OF AGRICULTURAL POLICY WANTS YOUR QUESTIONS

To allow questions to be answered in an efficient manner, the Governor's Office of Agricultural Policy would like to respond to frequently asked questions in this newsletter. If you would like to see your question answered here, please send it to the address on the back of this newsletter, care of "The Commonwealth Grows." If you have internet access, send an e-mail to:

govkyagpolicy@mail.state.ky.us attention The Commonwealth Grows.



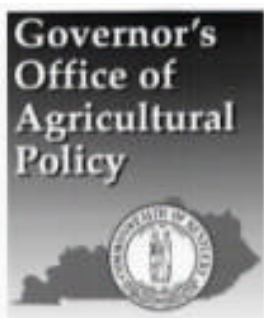
**Send your questions to** *The Commonwealth Grows*

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## INTERVIEW WITH MARSHALL COUNTY COUNCIL MEMBER KEITH HARRIS

Keith Harris knows the importance of maintaining agricultural profitability. Keith, his wife Krista, and three children, along with many families in Kentucky, all rely on agriculture for their well-being. With the changes occurring in agriculture and the rising cost of health care, farm families just like the Harris family are concerned about how they will be affected.

After graduating from Murray State University with a degree in Business Management, Keith began his farming career with 35 acres of dark-fire tobacco. This smokeless type of tobacco, unique in Kentucky to the western part of the state, has supported his family for many years and has allowed his farm operation to expand. Today, Keith remarks, "Tobacco is still our main cash crop." He also thinks that tobacco still has the potential to support families in Kentucky. While many people are looking for profitable ways to continue farming, Keith says, "I would hate to see Kentucky completely turn its back on tobacco."



Keith knows that there are many farmers who have expertise in certain areas of production and hopes that there is a way for people to continue working in areas they enjoy and are proud of. He cites the ethanol plant that was recently funded in Hopkinsville as an example of how this might work. Corn growers can continue to produce corn while receiving a higher price because value is added to the corn when it is processed into ethanol.

He hopes that the agricultural development process will allow more farmers to have this type of opportunity.

Keith also acknowledges, "How the [agricultural development] board keeps small family farms in the state is crucial to what happens in the years to come." Keith believes that, "One of the scariest things about farming, that I see, is that often people think bigger is better." He wants Kentucky farms to find ways to succeed, supporting the state economy as well as the many families, like his own, who rely on agriculture.